VZCZCXRO4783 RR RUEHGI RUEHMA RUEHROV DE RUEHNJ #0079/01 0690627 ZNR UUUUU ZZH R 100627Z MAR 09 FM AMEMBASSY NDJAMENA TO RUEHC/SECSTATE WASHDC 6772 INFO RUCNFUR/DARFUR COLLECTIVE RUEHTRO/AMEMBASSY TRIPOLI 0551 RUEHBZ/AMEMBASSY BRAZZAVILLE 0008

UNCLAS SECTION 01 OF 02 NDJAMENA 000079

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TAGS: <u>PGOV PREL PREF EAID EFIN AU CD</u>
SUBJECT: WORLD BANK WANTS GOC PRIME MINISTER TO VISIT HQ IN

DC BEFORE IT WILL RE-ENGAGE FULLY IN CHAD

REF: A. 08 NDJAMENA 547 ¶B. 08 NDJAMENA 493 ¶C. 08 NDJAMENA 248

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====== SUMMARY ======

- 11. (SBU) World Bank Director of Operations for Chad Mary Barton-Dock told Ambassador March 4 the Bank's relationship with the Government of Chad had not progressed in the month and a half since the Bank had "partially" reopened its Chad office. A meeting between WB President Zoellick and Prime Minister Youssouf Salef Abbas in Washington would be necessary before the Bank could resume broad-based engagement in Chad. Barton-Dock said she had been urging GOC officials to make the trip to Washington, and that she now sought USG support for an Abbas visit. The Ambassador responded that we would favor an Abbas visit in the near term, mentioning that he had discussed trip modalities with the Prime Minister several times over the past year. Barton-Dock said that the International Monetary Fund wanted the GOC to revise its 2009 budget downward, to be based on USDOLS 40 per barrel of oil, vice the current USDOLS 85 per barrel financing. A revised budget and successful progress under an IMF program would lead to Chad's eligibility for debt relief, she noted, which should be increasingly attractive to the GOC as world oil prices stayed low.
- 12. (SBU) Barton-Dock,s comments are very good news for the GOC and the USG. The PM has been trying to manage Chad's re-engagement with the IFIs for the past year, but to date has been more successful with the IMF than with the Bank. Achieving full World Bank reengagement would be a major accomplishment, not only for Chad's financial future but also for the PM's political position. We continue to consider him one of the most honest and effective of Chad's political leaders. Success with the Bank should reinforce the President's confidence in Abbas, help prolong the time in office of his government, and reinforce his control over it. We should plan to exploit a possible DC visit by arranging for meetings at the most senior levels possible, so that he benefits from hearing our message authoritatively. request the Department's thinking on meetings for him at END SUMMARY. State, Defense, NSC, Commerce, and Energy.
- 13. (SBU) World Bank Director of Operations for Chad Mary Barton-Dock, resident in Cameroon, and Acting Country Manager Mamadou Deme, called on Ambassador Nigro March 4 with an update on World Bank-Government of Chad relations and an

inquiry about USG support for a visit by Chadian Prime Minister Youssouf Saleh Abbas to Washington. Barton-Dock outlined the parameters for full resumption of World Bank and International Monetary Fund operations in Chad.

GETTING ABBAS TO WASHINGTON

- 14. (SBU) Referencing the Bank's "partial" reengagement in Chad, Barton-Dock stated that there had not been much progress in WB-GOC dialogue (Ref B). She noted that the Bank was operating only ten current projects. (NOTE: The World Bank only reopened its Chad office in mid-January 2009, almost a year after closure due to rebel activities. END NOTE.) Five of the ten projects were just commencing, said Barton-Dock, including public financial management and regional transportation operations. Other projects in the health, education, and agricultural sectors were near competion; they would either need to be renewed or reorganized to continue, according to Barton-Dock. A more thoroughgoing engagement by the Bank was on hold, per the direction of World Bank President Robert Zoellick. She stated that Zoellick wanted to hear directly the assistance priorities of Chadian President Idriss Deby, given Deby's shifting support for the oil project. To that end, World Bank officials were eager for PM Abbas, as Deby's emissary, to visit Washington, DC and restart dialogue.
- 15. (SBU) Ambassador Nigro told Barton Dock that the USG was supportive of the PM's government of national reconciliation, its program of reform, and its commitment to better governance. He said that we would support the Bank's invitation, both because we supported closer Bank-GOC collaboration and because it would give the USG the

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opportunity to discuss at senior levels with the PM the range of issues of mutual concern. (Note: Abbas has not shied away from pursuing his goal of reconciliation, which he sees as his mandate; his actions led opposition parties to resume their discussions with the government. Abbas also believes in improving Chad's bilateral relations and signaled his intent as far back as June 2008 (Ref C) to visit the United States for bilateral dialogue, as well as discussions with IFIs. END NOTE.)

16. (SBU) Going forward, Barton-Dock cautioned that future WB projects would likely focus more on water, health, sanitation, and roads, avoiding potentially problematic oil and other energy projects.

OPPORTUNITY FOR IMF ASSISTANCE

- 17. (SBU) Turning to the IMF, Barton-Dock revealed that the new Mission chief would arrive in April, but noted that the Fund was only willing to renew a formal relationship if the GOC revised its 2009 budget, now based on a petroleum price of USDOLS 85 per barrel down, to one based on a petroleum price USDOLS 40 per barrel (Ref A). Barton-Dock said she thought that the GOC could operate under a revised budget, but she questioned the government's ability actually to stick to a budget. She identified existing resources that the GOC could draw upon -- USDOLS 400M in 2008 budgetary surplus plus USDOLS 260M in overdraft financing from the regional six-country Bank of Central African States (BEAC) -- but added that she believed budgetary cuts were still necessary. If the GOC didn't refinance this year, she said, it would probably be fine at the USDOLS 85 per barrel estimate but would exhaust all resources by 2010.
- 18. (SBU) Barton-Dock highlighted the advantages of resuming an IMF program in Chad, stating that a resumption could lead to Chad's eligibility for debt reduction under the Highly

Indebted Poor Countries (HIPC) program. The GOC would need to complete six months of fiscal responsibility under the IMF program before attaining HIPC eligibility, she stated. According to her estimates, Chad owed approximately USDOLS 500 million, mainly to the IFIs themselves -- WB, IMF, IDA.

COMMENT

- ¶9. (SBU) Barton-Dock,s comments are good news for the GOC and USG. One of Prime Minister Abbas's chief goals since he was installed last April has been to re-engage with the IFIs. To date he has had more success with the IMF than with the Bank. Achieving full World Bank reengagement would be a major accomplishment, positive not only for Chad's financial future but also important for the PM's political position. We continue to consider Abbas one of the most honest and effective of Chad's political leaders, and we believe that further cultivating the USG relationship with him prudent. Success with the Bank should reinforce President Deby's confidence in Abbas and should increase chances that he will continue to lead the government and that the government will respond to his leadership.
- 110. (SBU) The USG should plan to exploit a possible visit by PM Abbas to DC by arranging meetings at the most senior levels possible, so that he benefits from hearing our message authoritatively. We request the Department's thinking on meetings for him at State, Defense, NSC, Commerce, and Energy. END COMMENT.
- 111. (U) Tripoli Minimize considered. NIGRO